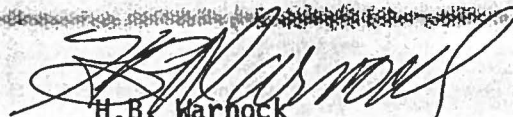


November 3, 1977

RE: BIA LEASE #N00-C-14-20-5681

This statement is attached to and made a part of the annual report on the above lease that these accounting statements for the period of October 23, 1976 through October 24, 1977 are a true and correct accounting as to the expenditures made on these leases with the exception that none of Mr. G. Warnock's time has been allocated to this lease.


H.B. Warnock
Vice President, Finance

HBW/bjs
cc:

This statement has been sworn to before me on this 3rd day of October in the year of 1977.


Notary Public

My Commission Expires: January 27, 1981

Haystack Mine
Lease Expenditures
BIA Lease #N00-C-14-20-5681
Expenditures for lease year October 24, 1976 through October 23, 1977

ROAD AND DRILL SITE CONSTRUCTION

D8-K Caterpillar Tractor	50 Hours @ \$24.77	\$1,238.50
Fuel	50 Hours @ 5.19	259.50
Operator	50 Hours @ 14.93	<u>746.50</u>

TOTAL D8-K \$2,244.50

INGERSOLL/RAND Pac Trac Drill	10.5 Hours @ \$22.30	\$ 234.15
Fuel	10.5 Hours @ 3.76	39.48
Operator	10.5 Hours @ 10.69	<u>112.25</u>

TOTAL PAC TRAC \$ 385.88

TOTAL ROAD & DRILL SITE CONSTRUCTION \$2,630.38

EXPLORATION AND DRILLING

16 Holes = 2,260 Feet @ 1.50 per foot	\$3,390.00
New Mexico Gross Receipts Tax	<u>135.60</u>

TOTAL DRILLING \$3,525.60

Man Hours:

Thomas Schack, Geologist 29.5 Hours @ \$8.33	<u>245.74</u>
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TOTAL EXPLORATION & DRILLING \$3,771.34

TOTAL LEASE YEAR EXPENDITURES \$6,401.72

Haystack Mine
Lease Expenditures
BIA Lease #N00-C-14-20-5681
Expenditures for lease year October 24, 1976 through October 23, 1977

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TODILTO
EXPLORATION AND DEVELOPMENT CORPORATION

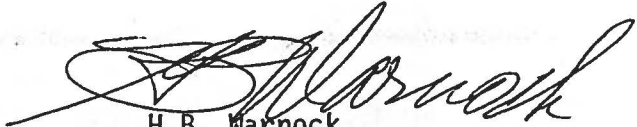
G. WARNOCK
PRESIDENT

H. B. (CHICK) WARNOCK
VICE PRESIDENT - FINANCE

November 3, 1977


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